



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

April 29, 2022

OFFICE OF
AIR AND RADIATION

Mr. Zhenpang Ma
Meraki Group LLC
5462 82nd Street
Elmhurst, New York 11373

Dear Mr. Zhenpang Ma:

The U.S. Environmental Protection Agency (EPA) sent you a letter dated March 31, 2022, providing notification of EPA's intent to retire 93,703.7 metric tons of exchange value equivalent (MTEVe) calendar year 2022 consumption allowances and 48,351.9 MTEVe calendar year 2023 hydrofluorocarbon (HFC) consumption allowances. EPA has since discovered that there was a transcription error in EPA's prior notice. Accordingly, EPA is providing this revised notification letter that the Agency intends to retire a total 96,703.8 MTEVe of calendar year 2022 and 48,351.9 MTEVe of calendar year 2023 HFC consumption allowances. In accordance with 40 CFR § 84.35(b), the Agency is providing your company with notice of this intent. This notice supplants and replaces, and is not in addition to, EPA's prior notification letter. According to the relevant regulations, following provision of this notice, Meraki Group LLC (Meraki) may not expend the quantity of allowances subject to retirement in this notification.

Under 40 CFR 84.35(a), EPA may retire, revoke, or withhold the allocation of allowances or ban a company from receiving future allowance allocations. Additionally, EPA can apply a 20 to 200 percent premium when revoking or retiring allowances. Practices that warrant administrative consequences include importing HFCs without expending the requisite number of allowances. Additional discussion on EPA's administrative consequences provisions is included in 86 FR 55168.

EPA finalized a rule prohibiting, as of January 1, 2022, the import of HFCs without expenditure of a requisite amount of consumption allowances, with limited exceptions (see 40 CFR 84.5(b)(1)(i)). Shortly after issuing the final rule, EPA allocated allowances on October 1, 2021, for calendar year 2022; Meraki was not allocated allowances (see 86 FR 55841). EPA has not approved a transfer of allowances to Meraki pursuant to 40 CFR §84.19(a). EPA allocated allowances to Meraki from the set-aside pool on March 31, 2022. Prior to March 31, 2022, Meraki had no allowances.

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EPA intends to retire a portion of Meraki's calendar year 2022 and 2023 allowances allocated from the set-aside pool in accordance with this notice. Meraki may provide information or data to EPA on why the administrative consequence should not be taken within 14 days of the date of this notice, or **May 14, 2022**. If EPA does not receive a response within 14 days, the administrative consequences will be effective on **May 29, 2022**. As noted, this notice supplants the letter sent to Meraki on March 31, 2022, and therefore no administrative consequences will be effective with respect to Meraki until **May 29, 2022**. Please note that applying an administrative consequence to retire allowances does not, in any way, limit the ability of the United States to exercise any other authority to bring an enforcement action under any applicable law or regulation. Further, applying administrative consequences at this time in this manner also does not impede the Agency's ability to bring future administrative consequences if warranted by additional facts or circumstances coming to light.

If you have questions about the content of this letter or if you intend to provide information or data to EPA on why the administrative consequence should not be taken, please contact Cheri Neal at neal.cheri@epa.gov.

Sincerely,



Cynthia A. Newberg
Director, Stratospheric Protection Division